



LUBBOCK NATIONAL BANK

Lubbock Economic Index and Consumer Price Index April 2013

May 22, 2013

Lubbock Economic Index

The Lubbock Economic Index posted another significant increase in April rising a full point to 134.5 up from 133.5 in March, and up a stout 8.5% compared to the April 2012 LEI of 123.9. A rising Lubbock Economic Index means a growing and expanding local economy, and in 2013, the index is higher than it has ever been and continues to improve through the first four months of the year. General real spending is solidly higher through April, and construction and housing continue to provide considerable upside support to the Lubbock Economic Index. Auto sales were down for the month, and employment continues to improve at fluctuating rates of growth, but growth nonetheless.

CONCURRENT trends in two broad measures of the Lubbock economy best represent its current and ongoing health and status, and these are general consumer spending (retail sales) and payroll employment.

- General real (inflation-adjusted) taxable spending per April sales tax receipts was up by nearly 7% compared to April of a year ago, which in turn was up compared to April of 2011 by nearly 11%. For the year-to-date through April, spending has improved by an impressive 7.5% compared to the first four months of 2012.
- The rate of year-over-year payroll employment growth dipped below 2% in April according to the preliminary estimates (the number is subject to revision next month) at 1.6%, the addition of an estimated 2,100 jobs over the last 12 months. All of those jobs were added in the private sector according to the current estimates, and public (government) sector employment declined by about 100 jobs in April compared to April of a year ago. The unemployment rate remains steadily on the decline as well, posting the lowest levels since early 2009 (when the unemployment rate was on the way up).

Auto sales were sharply lower in April compared to April of a year ago (however, the April 2012 total was up by nearly 19% compared to April of the prior year). Inflation-adjusted spending on new and used automobiles was down by nearly 24% in April, but remains up by 2.2% compared to the January-April 2012 period, which in turn was up by over 13% compared to April of the prior year.

Construction activity per building permit activity in April was the highest April total since the record building permit year of 2008, and the total valuation of all permits issued was up by over 27% compared to April of a year ago. The year-to-date total is up by over 25% through April compared to the first four months of 2012. The lion's share of construction permit valuations in April occurred in the residential housing category. Of the total \$39 million in permit valuations in April, over \$29 million of that was for residential housing construction, and about \$21.8 million of that was for the construction of new single-family residences.

That \$21.8 million came in the form of 108 new single-family residence construction permits, a 61% increase compared to April of a year ago and the highest April monthly total since the record home building year of 2003. For the year-to-date through April, 372 new single-family residence permits have been issued, a 60% increase over the first four months of 2012.

The Lubbock residential housing market continues to improve dramatically with existing home sales up by over 26% in April compared to April of a year ago, and the year-to-date total up by nearly 32% compared to the January-April 2012 sales total. And in fact, the 1,182 sales posted in the first four months of 2013 is the highest total on record for that time period. Prices are fairly rapidly on the rise as well – the April monthly average sale price is up by 5.6% compared to April of a year ago, which in turn was up by over 10% compared to April of the prior year. For the year-to-date, the average home sale price is up by a sharp 8% compared to the year-to-date through April average in 2012.

Lubbock Consumer Price Index

The rate of overall price increase remains well in check in Lubbock, and was unchanged from March to April at 2.2%.

The food/grocery sector of the Lubbock CPI continues to fall, dipping to 1.3% in April, down from 1.5% in March, and down from 4.2% in April of 2012.

The rate of change in the housing portion of the Lubbock CPI moved upward again in April, rising to 3.5% up from 3.4% in March. The rate of year-over-year price increase in the energy/utilities sector reversed course in April after declining in March, rising to 2.2% up from 2.1% in March.

The health care sector of the Lubbock CPI declined slightly in April, falling to 3.0% down from 3.1% in March. The year-over-year rate of change in the US health care CPI declined to 2.7% in April down from 3.1% in March.

The rate of year-over-year price increase for various miscellaneous goods and services in Lubbock was unchanged from March to April at 1.0%.

The US CPI-U (the benchmark CPI for consumers of all goods and services at the national level) fell again significantly in April, dipping to 1.1% down from 1.5% in March.

The rate of increase in the CPI in the southern region of the US (which includes Texas) also fell sharply in April, declining to .9% compared to 1.5% in March.

The Dallas and Houston CPI values are calculated every other month (on off-months). The Houston CPI was freshly updated in April, and was unchanged from February at .7%. The Dallas CPI was last updated in March, and fell to 1.8% down from 2.1% in January.



Lubbock Economic Indicators April 2013	Base Year 1996	One Year Ago 2012	This Year 2013	Percent Change 2012-2013
Retail Sales - April (\$000s - Per Sales Tax Rebates in 1995\$)	\$ 150,463	\$ 191,778	\$ 205,065	6.9%
Retail Sales - Year-To-Date	\$ 684,220	\$ 860,091	\$ 924,800	7.5%
Dollars Spent on Auto Purchases - April (\$000s in 1995\$)	\$ 38,845	\$ 52,455	\$ 39,922	-23.9%
Dollars Spent on Auto Purchases YTD	\$ 136,770	\$ 206,594	\$ 211,230	2.2%
Lodging Tax Receipts - YTD	\$ 748,928	\$ 1,786,429	\$ 1,684,727	-5.7%
Airline Boardings - April	48,422	40,658	40,483	-0.4%
Airline Boardings - YTD	188,013	156,169	145,175	-7.0%
Value All Construction Permits - April	\$ 11,601,068	\$ 30,732,252	\$ 39,161,656	27.4%
Value All Construction Permits - YTD	\$ 49,394,881	\$ 116,703,105	\$ 146,438,988	25.5%
New Home Permits - April	58	67	108	61.2%
New Home Permits - YTD	225	232	372	60.3%
Number of Home Sales - April	199	280	354	26.4%
Number of Home Sales - YTD	616	897	1,182	31.8%
Average Home Sale Price - April	\$ 82,662	\$ 141,010	\$ 148,935	5.6%
Average Home Sale Price - YTD	\$ 82,091	\$ 140,695	\$ 151,759	7.9%
Employment				
Wage and Salary Employment - Month	108,200	128,900	131,000	1.6%
Wage and Salary Employment - YTD Average	107,725	127,725	130,325	2.0%
Unemployment Rate - April	4.1%	5.2%	4.8%	-7.7%
Unemployment Rate - YTD Avg	4.4%	5.7%	5.2%	-8.8%
Oil and Gas (Regional)				
Oil Price/Barrel - April (WT Int. Crude)	\$ 21.77	\$ 99.87	\$ 88.33	-11.6%
Rig Count - April *	19	31	38	22.6%
Oil Production - YTD *	49,644	36,013	35,460	-1.5%
Value of Oil Production - YTD *	\$ 793,194	\$ 3,582,808	\$ 3,200,874	-10.7%
Agriculture (Regional)				
Cotton Price - April (cents/pound) +	82.70	80.74	80.09	-0.8%
Cotton - Bales Ginned Crop Year ++	2,483,350	1,450,700	2,365,750	63.1%
Fat Cattle Price - April (\$/hd. Wt.)	\$ 59.70	\$ 121.56	\$ 127.47	4.9%
Value Cattle Marketed - YTD (\$000's) ++	\$ 101,239	\$ 133,711	\$ 137,402	2.8%
LUBBOCK ECONOMIC INDEX - April (Base=100 January 1996)	100.6	123.9	134.5	8.5%

* Texas Railroad Commission District 8A (Lubbock Area)

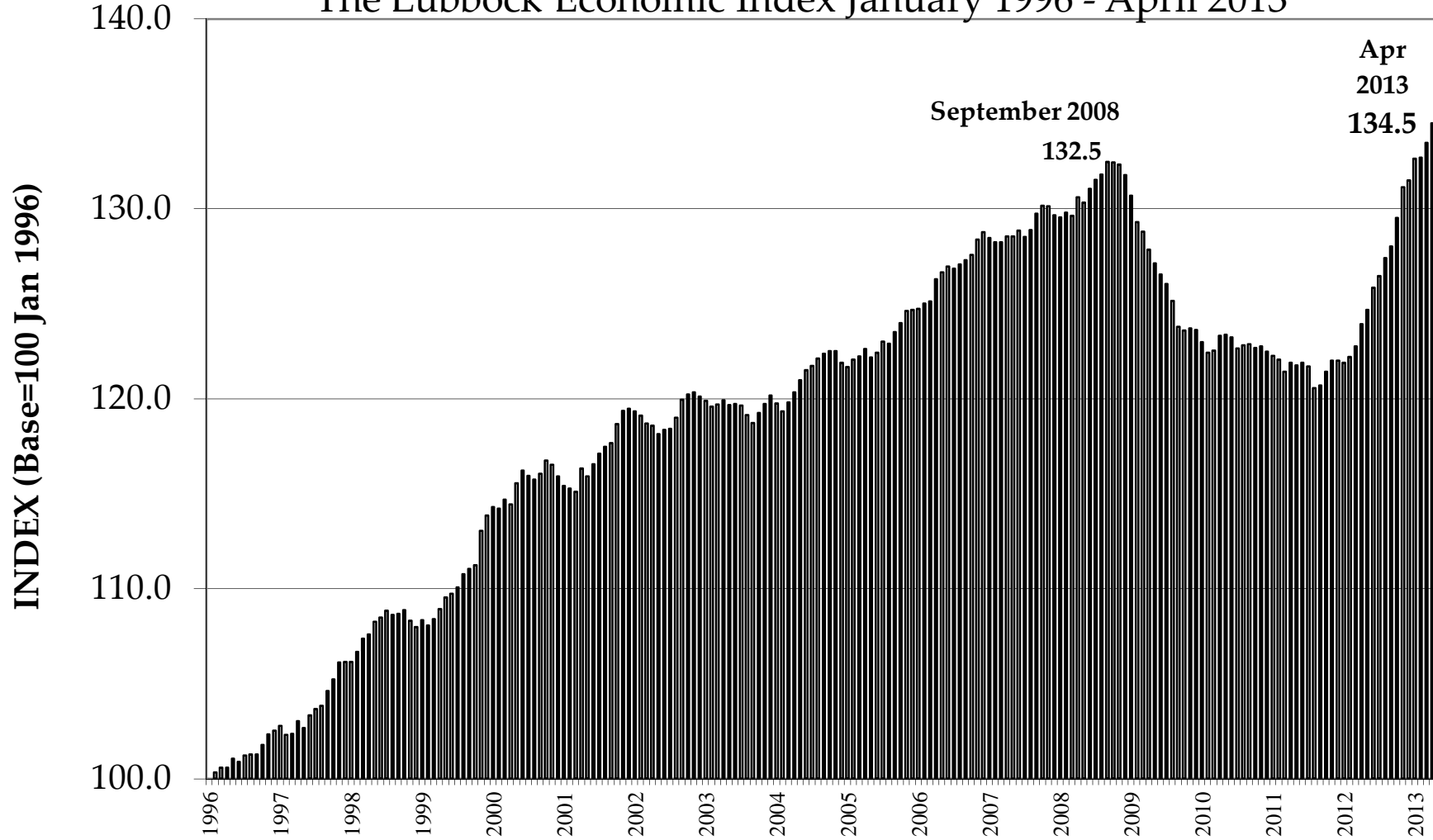
+ Spot Price for 41,4,34; mxd lots, net wt, compressed, FOB Car/Truck

++ South Plains Region



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The Lubbock Economic Index January 1996 - April 2013





The Lubbock Economic Index 2007 - 2013

